

DECLARATION OF EMERGENCY

Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing

Durable Medical Equipment Program—Reimbursement for Customized Wheelchairs

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing has adopted the following emergency rule in the Medical Assistance Program as authorized by R.S. 46:153 and pursuant to Title XIX of the Social Security Act and as directed by the 1996-97 General Appropriation Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law". This emergency rule is adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule, whichever occurs first.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reimburses Durable Medical Equipment (DME) Providers 80 percent of the Medicare Fee Schedule amounts for wheelchairs with standardized construction and wheelchair accessories all of which have specific HCPC procedure codes and are included in the Medicare Fee Schedule. The department provides reimbursement for wheelchairs with customized construction, HCPC procedure code E1220, and which are not included in the Medicare Fee Schedule based on the lowest bid received from the DME providers who participate in a seating evaluation conducted by a rehabilitation therapist and physician. The bureau has now determined it is necessary to revise its methodology of reimbursement for customized wheelchairs. Therefore, the following emergency rule has been adopted to change the methodology for reimbursing providers of customized wheelchairs from a bidding system to a formula pricing system based on the manufacturer's suggested retail price minus 18 percent. This action is necessary to avoid a budget deficit in the medical assistance programs. It is anticipated that implementation of this emergency rule will save approximately \$2,078,361 for state fiscal year 1996-1997.

Emergency Rule

Effective for dates of service July 1, 1996 and thereafter, the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing reimburses providers of customized wheelchairs by utilizing the following formula pricing system. Payment for customized wheelchairs shall be made based on the manufacturer's suggested retail price minus 18 percent.

Interested persons may submit written comments to: Thomas D. Collins, Bureau of Health Services Financing, Box 91030, Baton Rouge, LA 70821-9030. He is responsible for responding to inquiries regarding this emergency rule.

Bobby P. Jindal
Secretary

9607#004